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TO RUEHC/SECSTATE WASHDC IMMEDIATE 1357  
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY  
RUEHAM/AMEMBASSY AMMAN PRIORITY 1950  
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 1652  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 1341

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TAGS: [EAID](#) [ECON](#) [KPAL](#) [KU](#)

SUBJECT: SCANT ENTHUSIASM FOR PALESTINIAN INVESTMENT  
CONFERENCE

REF: STATE 45740

Classified By: Ambassador Deborah K. Jones for Reasons 1.4 (b) and (d)

¶1. (SBU) In response to reftel, Econcouns spoke on May 1 with Shaykh Ali Al Sabah, MFA Director of Economic Affairs, and on May 4 with Rabah Al-Rabah, Deputy Director General of the Kuwait Chamber of Commerce and Industry, to discuss the May 21-23 Palestinian Investment Conference in Bethlehem. Neither official was familiar with the event or knew of any plans for Kuwaiti attendance, either from the GOK or the private sector. Both asked whether official invitations would be forthcoming. Econcouns relayed registration information and discussed the objectives of the conference.

¶2. (C) Both Al Sabah and Al-Rabah expressed skepticism about the event. Al-Rabah said Iraq was a better investment destination than Palestine. The situation in Palestine, he said, is "too gloomy, and the platform is not there for investors." He said he would be hard-pressed to drum up support for the event at KCCI, but he would circulate the information. He said there might be some interest in investment in Palestine on the part of Kuwaiti telecom companies, probably referring to Wataniya's (now owned by Qatar-based Qtel) purchase of a mobile telecommunications license for the Palestinian Territories in March 2007. (Note: This has been a problematic investment for Wataniya. It established Wataniya Palestine early last year in partnership with the Palestine Investment Fund but has been unable to launch operations because it has not been allocated the requested radio spectrum, reportedly due to delays by the Israeli government. End Note.)

¶3. (C) Al Sabah fretted about possible interference from the Israelis, but Econcouns stressed that Israel supported the conference and would make special arrangements to support international participants. Al Sabah, on his way to the U.S. for U.S.-Arab Economic Forum, said he would discuss GOK attendance with the FM.

¶4. (C) Econcouns decried the lack of Arab investment in the Palestinian territories, and said whatever security concerns remain, Arab countries could not wait for a peace agreement to demonstrate economic support for the Palestinians. Investment constituted concrete support for the PA and President Abbas, and we urged Kuwaiti participation at the May conference.

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Jones